

From: bholst@firstcentralsb.com [mailto:bholst@firstcentralsb.com]  
Sent: Monday, September 27, 2010 9:53 AM  
To: Comments  
Subject: FDIC Proposed Guidance on Overdraft Coverage

Brian Holst  
1316 Pinehill Rd  
Bettendorf, IA 52722-1720

September 27, 2010

Comments to FDIC

Dear Comments to FDIC:

By electronic delivery to:  
OverdraftComments@fdic.gov

Federal Deposit Insurance Corporation  
550 17th Street, NW  
Washington, DC 20429-9990

Re: Overdraft Payment Supervisory Guidance, FIL-47-2010, August 11, 2010

Dear Sir or Madame:

I am the internal auditor and compliance officer for Ohnward Bancshares, Inc., a holding company for four eastern-Iowa community banks with approximately \$750 million in assets.

I strongly oppose the FDIC's proposed guidance (FIL-47-2010) that addresses overdraft coverage programs. Simply put now is not the time to introduce further regulation targeted at overdraft coverage products. My banks have just implemented new requirements under Regulation DD (Truth in Savings) and Regulation E (Electronic Fund Transfers) at great expense and manpower. Having to rework our banks' deposit products and to accommodate a regulatory moving target does not help my banks serve their customers.

Any additional rules should be the result of an inter-agency effort to ensure consistency and fairness in its application for both banks and the customers we serve.

Lastly, I fear that this proposal will ultimately do a great disservice to my customers, many of whom appreciate the assurances that accidental overdraft coverage offers in preventing a bill being returned unpaid or a merchant-imposed fee being levied. If regulatory barriers and requirements become too burdensome, I will be faced with discontinuing these services and returning ALL check and ACH transactions, exposing my customers to merchant fees far greater than those imposed by my banks.

My banks do not manipulate transaction processing to generate more fees

and higher revenue. My banks are accountable to their communities and their success is dependent on a mutually beneficially relationship with customers. If we engaged in "price-gouging" tactics, we COULD NOT do business in our community.

I urge the FDIC to carefully consider this measure to ensure that the guidance does not impede my bank's ability to provide overdraft coverage services to my customers. If we are forced to abandon or significantly alter these services due to regulatory burden, the result could lead more consumers into becoming unbanked or relying on other products such as prepaid debit cards and check cashing services, which have higher fees and foster unsound financial practices.

Sincerely,

Brian Holst  
563-528-3593